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TO RUEHC/SECSTATE WASHDC 0480
INFO RUCNIRA/IRAN COLLECTIVE
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DEPARTMENT FOR ISN, NEA/ARP, IO, T, NEA/IR

E.O. 12958: N/A

TAGS: KNNP PREL PARM IR AE

SUBJECT: UAE JANUARY 31 NOTICE ON BANK SEPAH - DEMARCHE
DELIVERED

REF: SECSTATE 14956

¶1. (SBU) On February 14, Econchief contacted Ahmed Al-Qamzi, Head of the International Division for the UAE Central Bank's Anti Money Laundering and Suspicious Cases Unit (AMLSCU) to ask the UAE to delay or withdraw its notification and to provide more information on the origin of money used to process the payments. Al-Qamzi explained that the payments were for contracts entered into prior to entry into force of 1737/1747 and were not to any designated entity. The UAE would therefore exercise its right under UNSCRs 1737/1747 to authorize the payments.

¶2. (SBU) During the February 25 Counter Proliferation Task Force meeting, Al-Qamzi confirmed that the Central Bank had authorized five banks operating in the UAE to receive Sepah payments. He reaffirmed that the Central Bank had checked to ensure that the payments were for contracts entered into prior to the relevant UNSCRs and that they did not accrue to any designated entity.

¶3. (SBU) Comment: This is the second tranche of payments from Bank Sepah to UAE based banks that the Central Bank has authorized -- the first being last summer/fall. In both cases, the UAE was clear about both its rights and its obligations under the UNSCRs and asserted that the payments were for contracts entered into prior to entry into force of the UNSCRs and did not go to designated entities. Post notes that the notification was made two weeks before we received the demarche, on the day the funds could be released, which sharply limited our ability to work with the UAEG to obtain either a delay or more information on the transactions. End Comment.

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